

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MA&UD Department – Hyderabad Metro Rail Project – Appointment of Arbitrator to resolve the issues between Maytas Metro Project Ltd., and Government – implementation of the direction of the Honourable High Court of Andhra Pradesh – Sri. Justice V.Eswaraiah, Retd. Judge of High Court of Andhra Pradesh –Appointed as Arbitrator – orders – Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (H1) DEPARTMENT

G.O.Rt.No. 425

Dated: 20.03.2014.

Read the following:

1. G.O.Ms.No.430, MA&UD Department Dt. 7.7.2009
2. W.P.No.15124 of 2009 filed by Maytas Metro Limited, Hyderabad
3. From the Chairman Maytas Metro Ltd., Lr. No.nil Dt. 16-4-2012
4. Lr. No. 15147/H1/20010, Dt. 23-2-2013
5. Arbitration Application No. 78 of 2013 filed by Mayatas Metro Ltd., before the High Court of Andhra Pradesh,
6. From the Advocate General, High Court of Andhra Pradesh Lr.No.168/2014, Dt. 20-2-2014.
7. Letter No.15147/H1/2014, Dated: 03.03.2014.
8. From the Advocate General, High Court of Andhra Pradesh Lr.No.232/2014, Dt. 15-03-2014.
9. MD, HMR Ltd. Lr.No.778.HMR/GM(F&CA)/MML-Arbitration/2013, Dt. 15-3-2014.

ORDER:

Whereas in the reference 1st read above, Government terminated the Concession Agreement entered into between a consortium of companies namely M/s Navabharat Ventures Ltd., Maytas Infra Ltd., M/s Italian Thai Development PLC and M/s IL&FS for construction of Hyderabad Metro Rail Project on Develop, Build, Finance Operate and Transfer Basis in PPP mode on the grounds that the Concessionaire failed to furnish the Performance Security of Rs.240 Crore and also failed to achieve Financial Closure by the stipulated date ending 17-3-2009 and also forfeited the Bid Security (Rs. 60.00 Crore) and Bid offer (Rs.11.00 Crore) in accordance with the terms of the Concession Agreement

2. Whereas in the reference 2nd read above, Maytas Metro Project, has filed a Writ petition in the Hon'ble High Court of Andhra Pradesh seeking a direction to set aside the action of Government and to refund the amount paid by the Petitioner to the tune of Rs.71.00 Crore towards bid security (Bid Security and Bid offer i.e., Rs.60.00 + Rs.11.00 Crore). The Honourable High Court of Andhra Pradesh, while disposing the Writ Petition issued order Dt.16-11-2011 stating that it is desirable that the matter should be referred to an Arbitrator by invoking the clause as mentioned in the Concessionaire Agreement, giving liberty to the petitioner to avail the arbitration remedy.

3. Whereas in the reference 3rd read above, the Maytas Metro Ltd., has informed that they have appointed Honourable Justice DSR Verma (Retd. Judge) as their Arbitrator in the matter and requested the Government to appoint an Arbitrator as envisaged in the Arbitration Clause of the Concession Agreement (clause 44.3.2).

4. Whereas in the letter 4th read above, the Advocate General has been requested to suggest a suitable person to be appointed as Arbitrator to resolve the dispute between the Government and Maytas Metro Project.

5. Whereas, in the references 8th read above, the Advocate General has suggested the name of Sri. V. Eswaraiah, Retd. Judge High Court of Andhra Pradesh as an Arbitrator on behalf of Government and requested to take necessary steps in this regard.

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6. Now therefore, Government, in exercise of the powers conferred under clause 44.3.2 of Article 44 of the Concession Agreement entered into between the Government of Andhra Pradesh and Maytas Metro Limited, hereby appoints Sri. Justice V. Eswaraiah, Retired Judge of High Court of Andhra Pradesh as an Arbitrator on behalf of the Government for dispute resolution between the Government and Maytas Metro Limited.

7. The Managing Director, Hyderabad Metro Rail Limited is requested to take further necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**Dr. S.K. JOSHI,
PRINCIPAL SECRETARY TO GOVERNMENT (UD)**

To

Sri. V.Eswaraiah, Retd Judge of High Court of Andhra Pradesh through the

Registrar, High Court of Andhra Pradesh

The MD, HMR Ltd, Hyderabad

The Chairman, Maytas Metro, Ltd.,

Door No. 8-2-120/113/3/4F, Sanali Info Park, Cyber Towers,

Road No. 2, Banjara Hills,

Hyderabad -5000033

Government Pleader for MA&UD Department,

High Court of Andhra Pradesh, Hyderabad

Copy to:

The PS to Chief Secretary

The PS to Advocate General, High Court of Andhra Pradesh Hyderabad

SC/SF.

//FORWARDED ::BY:: ORDER//

SECTION OFFICER